

P-407,421/CP-93-401

ORDER APPROVING RECOVERY OF NON-RECURRING COSTS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Joel Jacobs
Tom Burton
Marshall Johnson
Dee Knaak
Don Storm

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Petition for Extended Area
Service from the Embarrass Exchange to the
Virginia, Babbitt, Tower, and Aurora
Telephone Exchanges

ISSUE DATE: January 23, 1996

DOCKET NO. P-407,421/CP-93-401

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PROCEDURAL HISTORY

On April 30, 1993, subscribers in the Embarrass exchange filed a petition for extended area service (EAS) to the Virginia, Babbitt, Tower, and Aurora exchanges. GTE Minnesota (GTE) serves the Embarrass, Babbitt, Tower, and Aurora exchanges.

The Embarrass/Virginia and Embarrass/Babbitt EAS routes met the adjacency and traffic volume criteria of the EAS statute, Minn. Stat. § 237.161.

After Embarrass subscribers were polled concerning those proposed routes, the Commission issued its ORDER CERTIFYING POLLING RESULTS on August 21, 1995. In that Order the Commission certified that Embarrass subscribers had voted in favor of EAS to Virginia. The Commission ordered GTE to file any request for recovery of non-recurring charges at least 120 days before the date of EAS implementation.

On October 17, 1995, GTE filed a timely proposal for recovery of non-recurring costs. GTE proposed a one-time charge of \$1.71 per access line. Under its proposal, GTE would recover a total of \$806.20, after subtracting costs of postage.

No party commented on GTE's proposal.

On January 16, 1996, the matter came before the Commission for consideration.

FINDINGS AND CONCLUSIONS

In other EAS dockets, the Commission has accepted proposals for recovery of non-recurring costs based on the costs of polling, less postage costs.¹ The Commission will accept GTE's

¹ See, for example, In the Matter of a Petition for Extended Area Service from Kimball to St. Cloud, Docket No. P-415,421/CP-92-1010, ORDER APPROVING RECOVERY OF NON-RECURRING COSTS (January 18, 1995).

proposed recovery of non-recurring costs, with one minor adjustment. In GTE's calculation, the Company used a cost of \$0.32 for postage per ballot. The current cost of postage and handling is actually \$0.34 per ballot. The correct calculation of net polling costs per access line is therefore as follows:

Total polling costs billed to GTE	\$ 912.76
Less postage and handling for ballots returned--333 x \$0.34	<u>(113.22)</u>
Polling costs less postage	<u>799.54</u>
Net cost per access line balloted (\$799.54/470)	\$ 1.70

The Commission will accept GTE's proposed recovery of non-recurring costs, as modified.

ORDER

1. The Commission authorizes GTE to assess a one-time charge of \$1.70 for each Embarrass customer to recover balloting costs.
2. GTE may include the non-recurring charge in its first bill which includes EAS charges. GTE shall also include a notice to its Embarrass customers explaining the non-recurring charge.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

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